

STATE OF MICHIGAN
CIRCUIT COURT FOR THE 30TH JUDICIAL CIRCUIT
INGHAM COUNTY

ANITA G. FOX, DIRECTOR
OF THE DEPARTMENT OF INSURANCE
AND FINANCIAL SERVICES,

Petitioner,

Case No. 15-948-CR

v

HON. JAMES S. JAMO

CONSUMERS MUTUAL INSURANCE
OF MICHIGAN,

[IN LIQUIDATION]

Respondent.

Christopher L. Kerr (P57131)
Assistant Attorney General
Attorney for Petitioner
Michigan Department of Attorney General
Corporate Oversight Division
P. O. Box 30736
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**LIQUIDATOR'S VERIFIED MOTION TO TERMINATE LIQUIDATION,
APPROVE THE ACTIONS OF THE LIQUIDATOR, DISCHARGE THE
LIQUIDATOR, CLOSE THE CASE, AND FOR RELATED RELIEF**

Anita G. Fox, Director of the Michigan Department of Insurance and
Financial Services ("DIFS") and statutory and Court-appointed Liquidator (the
"Liquidator") of Consumers Mutual Insurance of Michigan ("Consumers Mutual"),
by and through her attorneys, Dana Nessel, Attorney General of the State of
Michigan, and Christopher L. Kerr, Assistant Attorney General, in support of her
Verified Motion to terminate this liquidation, approve the actions of the Liquidator,

discharge the Liquidator, close the case, and for related relief (the “Verified Motion”), states as follows:

HEARING

1. This Verified Motion is scheduled for hearing on **Wednesday, January 26, 2022, at 4:00 p.m.**

BACKGROUND

2. On November 13, 2015, this Court entered a Stipulated Order Placing Consumers Mutual into Rehabilitation, Approving Compensation of Special Deputy Rehabilitator, and Providing Injunctive Relief (the “Rehabilitation Order”). The Rehabilitation Order placed Consumers Mutual into rehabilitation, appointed the DIFS Director as the Rehabilitator of Consumers Mutual as required by MCL 500.8113(1), and approved the reasonable compensation to be paid to James Gerber as the Rehabilitator’s appointed Special Deputy Rehabilitator of Consumers Mutual (the “Deputy Rehabilitator”) under MCL 500.8114(1).

3. On February 3, 2016, the Rehabilitator filed with the Court a Petition for Order Converting Rehabilitation to Liquidation and for Judicial Declaration of Insolvency of Consumers Mutual (the “Liquidation Petition”), which sought: (a) an order converting the rehabilitation of Consumers Mutual to a liquidation proceeding; and (b) a judicial declaration of Consumers Mutual’s insolvency.

4. On February 10, 2016, this Court granted the Liquidation Petition and entered an Order of Liquidation and Declaration of Insolvency of Consumers Mutual (the “Liquidation Order”). The Liquidation Order placed Consumers

Mutual into liquidation, appointed the DIFS Director as the Liquidator of Consumers Mutual as required by MCL 500.8118(1), and approved the reasonable compensation to be paid to James Gerber and Julieanne Gulliver as the Liquidator's appointed Special Deputy Liquidators of Consumers Mutual (the "Deputy Liquidators") under MCL 500.8121(1)(a).

5. As related more fully in the annual reports filed with the Court, the Rehabilitator and subsequently Liquidator of Consumers Mutual (collectively, the "Liquidator") and the Deputy Rehabilitator and subsequently Deputy Liquidators of Consumers Mutual (collectively, the "Deputy Liquidators") have taken these and other actions during the rehabilitation and/or subsequent liquidation (collectively, the "Receivership") of Consumers Mutual:

- a. Implemented the Proof of Claim ("POC") form filing process;
- b. Created and implemented the POC adjudication process through final conclusion;
- c. Marshaled all the available assets of Consumers Mutual and converted them to cash;
- d. Diligent tax planning and preparation;
- e. Resolved disputed creditor claims made against the Consumers Mutual liquidation estate;
- f. Resolved claims made by Consumers Mutual against its former third-party administrator and various health care providers;
- g. With this Court's prior approval, paid in full the allowed Class 1 and Class 2 claims of the Michigan Life and Health Insurance Guaranty Association (the "MLHIGA"); and
- h. With this Court's prior approval, paid pro rata distributions of liquidation estate assets on the allowed, Class 3 claims of the Internal

Revenue Service (“IRS”) and the Centers for Medicare and Medicaid Services (“CMS”).

6. With respect to the payment of MLHIGA’s claims, on March 10, 2021, the Court entered an *Ex Parte* Order approving the fifth and final disbursement of liquidation estate assets to fully satisfy the allowed Class 1 and Class 2 claims of MLHIGA. Accordingly, all claims of MLHIGA against the Consumers Mutual liquidation estate have now been paid in full.

7. With respect to the IRS and CMS claims, on November 3, 2021, the Court entered an Order approving the payment of a 99.256% pro rata distribution of liquidation estate assets on the allowed Class 3 claims of both the IRS and CMS. Accordingly, the Court approved: (a) a distribution to the IRS in the amount of \$615,886.29 on its allowed Class 3 claim totaling \$620,502.83, leaving an unpaid claim amount of \$4,616.54; and (b) a distribution to CMS in the amount of \$9,111,290.99 on its allowed Class 3 claim totaling \$9,179,587.12, leaving an unpaid claim amount of \$68,296.13.

8. Pursuant to the Court’s Order entered on November 3, 2021, the Consumers Mutual liquidation estate retained assets totaling roughly \$40,000 as a closing reserve to pay Class 1 claims for outstanding and future administrative expenses associated with closing Consumers Mutual’s liquidation estate (the “Closing Reserve”).

9. Except for this Closing Reserve dedicated to Class 1 administrative expenses, the Consumers Mutual liquidation estate has no available assets. Thus, no further distributions can be made to the IRS and CMS on the unpaid amount of

their allowed Class 3 claims, nor are their assets available to make any distributions on the only other claims filed against the liquidation estate and allowed by the Deputy Liquidators, which are the lower priority, Class 5 claims filed by former insurance agents. See MCL 500.8142(1) (“Every claim in each class shall be paid in full or adequate funds retained for their payment before the members of the next class receive payment.”). The Deputy Liquidators have advised these Class 5 claimants in writing that the Consumers Mutual liquidation estate does not possess sufficient assets to pay any portion of their allowed claims.

10. As directed by the Court’s November 3, 2021 Order, the Deputy Liquidators have paid the approved distributions to both the IRS and CMS. After these distributions and payment of ongoing Class 1 administrative expenses, the Consumers Mutual liquidation estate possessed assets (in the form of cash reserves) in the total amount of \$26,380 as of December 15, 2021. (Exhibit A, Balance Sheet; Exhibit B, Cash Flow Statement.)

11. As stated, these remaining cash assets (or the “Closing Reserve”) will be used to pay all Class 1 administrative expenses to close the liquidation estate, and with the Court’s approval as requested below, the balance of this Closing Reserve will be remitted to DIFS as compensation for its unreimbursed expenses of administering the Consumers Mutual liquidation estate.

12. By this Verified Motion, the Liquidator seeks generally to terminate this liquidation, discharge the Liquidator, dissolve Consumers Mutual, and close

the case. More specifically, and among other things, the Liquidator seeks an Order from the Court providing the following relief:

- a. Approval of all actions taken or not taken by the Liquidator;
- b. Because any further distribution to creditors would be uneconomic, authorizing the Liquidator to promptly and irrevocably transfer to DIFS—as payment for its Class 1 unreimbursed expenses of administering the Consumers Mutual liquidation estate—the balance of the \$26,380 in cash reserves remaining after payment of all administrative expenses to close the estate;
- c. In the unlikely event that the Liquidator recovers additional Consumers Mutual assets after the closing of this liquidation estate, approval of the Liquidator’s plan to determine whether the additional recovery either: (i) warrants further distributions to the IRS and CMS on the unpaid amount of their allowed Class 3 claims; or (ii) would be uneconomic to distribute, such that after notice to the IRS and CMS and barring any objections, the Liquidator will transfer these additional assets to DIFS as reimbursement for its unpaid Class 1 administrative expenses;
- d. Discharge of and release of all claims against the Liquidator;
- e. Implementation and enforcement of a bar order;
- f. Permitting the destruction of records; and
- g. Terminating this liquidation, dissolving Consumers Mutual, and closing the case.

**REQUEST FOR COURT APPROVAL OF ALL ACTIONS
TAKEN OR NOT TAKEN BY THE DIFS DIRECTOR AS
THE LIQUIDATOR OF CONSUMERS MUTUAL**

13. In general, the Liquidator and Deputy Liquidators of Consumers Mutual have, from the inception of this Receivership, taken possession of Consumers Mutual’s assets, marshaled assets, compromised claims, mitigated liabilities, sought and received recovery from various individuals and entities, made

distributions of available assets, and administered the Receivership and business of Consumers Mutual in accordance with the Insurance Code of 1956 (“Insurance Code”), MCL 500.100 – 500.8302. The Liquidator and Deputy Liquidators have taken all of these actions under this Court’s general supervision.

14. Further, the Liquidator has complied with this Court’s directives in this matter.

15. In addition, throughout the course of this Receivership, the Liquidator sought Court approval of all material transactions.

16. Consequently, the Liquidator seeks an Order approving all actions taken or not taken by the Liquidator and her Deputy Liquidators, representatives, agents, accountants, attorneys, successors, predecessors, officers, directors, and assigns throughout the Receivership, and providing that such actions taken or not taken have been properly executed and have met the requirements of Chapter 81 of the Insurance Code (“Chapter 81”), MCL 500.8101 – 500.8159, and the laws of the State of Michigan in general, as ascertained by and reviewed by this Court through the date of the Order.

DISPOSITION OF REMAINING ESTATE ASSETS

17. As previously indicated, the Consumers Mutual liquidation estate possessed assets (in the form of cash reserves) in the total amount of \$26,380 as of December 15, 2021. (Exhibit A.) Moreover, the Liquidator has marshaled all available assets of Consumers Mutual and does not anticipate the recovery of any additional assets.

18. MCL 500.8146(1) provides that in connection with an application for discharge, “[t]he court may grant the discharge and make any other orders, including an order to transfer any remaining funds that are uneconomic to distribute, as may be considered appropriate.”

19. An additional distribution to creditors of the liquidation estate’s remaining assets is not economically justified because such a distribution would be costly, time-consuming, and in any event, would exhaust some if not all of the estate’s limited remaining assets that are earmarked for Class 1 administrative expenses. The expenses and delay associated with an additional distribution would include staff time to process and pay the distribution, other administrative overhead, preparing and filing the approval petition, attending the hearing, and securing an approval order, all while keeping the liquidation estate open to accomplish these tasks. Moreover, postponing the closure of this liquidation estate to make a *de minimis* distribution would prevent the Liquidator’s retained accountant from preparing and filing Consumers Mutual’s final tax return by January 31, 2022 as planned.

20. DIFS has incurred substantial administrative expenses in connection with this liquidation that the estate has not reimbursed, including for certain services performed by the Deputy Liquidators and for all services performed by the Liquidator’s/Deputy Liquidators’ legal counsel at the Department of Attorney General since the liquidation’s inception.

21. For the reasons stated above, it would be uneconomic to make an additional distribution of the estate's limited remaining assets. Accordingly, the Liquidator requests this Court's authorization to instead promptly and irrevocably transfer to DIFS—as payment for its Class 1 unreimbursed expenses of administering the Consumers Mutual liquidation estate—the balance of the \$26,380 in cash reserves remaining after payment of all administrative expenses to close the estate.

22. Any additional distribution, if made, must be paid first to the IRS and CMS on the unpaid amount of their allowed Class 3 claims. MCL 500.8142(1). The Deputy Liquidators and/or their legal counsel have informed the IRS and CMS that there are insufficient liquidation estate assets to make any additional distributions on their allowed Class 3 claims, and that any remaining balance of the Closing Reserve will be minimal and not distributed. The IRS and CMS are therefore aware that they will receive no further distributions from the liquidation estate (barring the later recovery of additional assets), justifying the Liquidator's transfer of the balance of the Closing Reserve to DIFS.

23. In the unlikely event that the Liquidator recovers additional Consumers Mutual assets after the closing of this liquidation estate, the Liquidator requests this Court's approval of her plan to determine whether the additional recovery either: (a) warrants further distributions to the IRS and CMS on the unpaid amount of their allowed Class 3 claims; or (b) would be uneconomic to distribute, such that after notice to the IRS and CMS and barring any objections,

the Liquidator will transfer these additional assets to DIFS as reimbursement for its unpaid Class 1 administrative expenses.

**REQUEST FOR DISCHARGE OF LIQUIDATOR AND
RELEASE OF ALL CLAIMS AGAINST THE DIFS DIRECTOR
AS THE LIQUIDATOR OF CONSUMERS MUTUAL**

24. MCL 500.8146(1) provides that “[i]f all assets justifying the expense of collection and distribution have been collected and distributed under this chapter, the liquidator shall apply to the court for discharge.”

25. As explained above, the Liquidator has marshaled all available assets of Consumers Mutual and distributed those assets to the extent economically justified. Accordingly, the DIFS Director, as Liquidator of Consumers Mutual, further seeks an order that the Liquidator and her Deputy Liquidators, representatives, agents, accountants, attorneys, successors, predecessors, officers, directors, and assigns are fully, finally, and unconditionally discharged and released from any duties, obligations, claims, and liabilities relating to or arising out of the Receivership of Consumers Mutual.

**REQUEST FOR BAR ORDER FOR ALL CLAIMS
AGAINST THE LIQUIDATOR**

26. The Liquidator also requests an order that all claims and causes of action against the Liquidator and her Deputy Liquidators, representatives, agents, accountants, attorneys, successors, predecessors, officers, directors, and assigns for any and all actions taken or not taken throughout the Receivership of Consumers Mutual shall be completely and forever barred, and that from and after entry of the order terminating the liquidation, these parties shall have no further responsibility,

obligations, or liability under Chapter 81 or the laws of the State of Michigan with respect to any matter relating to or arising out of the Receivership.

REQUEST FOR APPROVAL OF RECORD DESTRUCTION

27. The Liquidator recommends and seeks authority to destroy Consumers Mutual documents on a rolling, yearly basis, such that every year all documents more than seven (7) years old will be destroyed without further request to the Court by the Liquidator and without further review or order of this Court.

REQUEST FOR FINAL ORDER CLOSING ESTATE

28. The Liquidator seeks a final order terminating the liquidation of Consumers Mutual and closing this case.

29. The Liquidator also requests that no further reports be required of the Liquidator to any person or entity, including but not limited to reports to this Court and reports to DIFS.

30. By operation of law, the corporate existence of Consumers Mutual will be dissolved effective on the date of the order discharging the Liquidator. MCL 500.8120. The Order sought by the Liquidator expressly so provides.

AUTHORIZATION OF SERVICE

31. As stated, the Class 1 and Class 2 claims of MLHIGA have been paid in full, the Class 3 claims of the IRS and CMS have received a 99.256% pro rata distribution, and the Class 5 claimants have been notified in writing that the liquidation estate does not possess sufficient assets to pay any portion of their claims. Accordingly, the Liquidator has determined that there are no remaining

individuals or entities having a particular interest in this Verified Motion that would warrant their personal service. Moreover, personally serving this Verified Motion, the Notice of Hearing, and any resulting Order on individuals or entities that may have a general interest in the Consumers Mutual liquidation would be time-intensive and prohibitively costly to the liquidation estate, and is not deemed by the Liquidator to be necessary or appropriate. For these reasons, the Liquidator requests that the Court authorize, approve, and/or ratify service of this Verified Motion, the Notice of Hearing, and any resulting Order on any potentially interested individuals or entities by posting electronic copies on the DIFS website, www.michigan.gov/difs, under the section “Who We Regulate,” the subsection “Receiverships,” and the sub-subsection “Consumers Mutual Ins. of Michigan.”

32. Service in the foregoing manner is reasonably calculated to give any potentially interested individuals or entities actual notice of these proceedings and is otherwise reasonable under the circumstances.

VERIFICATION

33. This Motion is verified below by James Gerber, the Special Deputy Liquidator of Consumers Mutual.

RELIEF REQUESTED

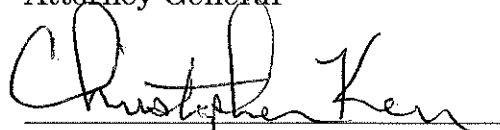
WHEREFORE, the Director of DIFS, acting solely in her capacity as the statutory and Court-appointed Liquidator of Consumers Mutual, respectfully requests entry of a final Order in the form attached as Exhibit C:

- a. Granting the Liquidator's Verified Motion;
- b. Approving all actions taken or not taken by the Liquidator;
- c. Authorizing the Liquidator to promptly and irrevocably transfer to DIFS—as payment for its Class 1 unreimbursed expenses of administering the Consumers Mutual liquidation estate—the balance of the \$26,380 in cash reserves remaining after payment of all administrative expenses to close the estate;
- d. In the unlikely event that the Liquidator recovers additional Consumers Mutual assets after the closing of this liquidation estate, approving the Liquidator's plan to determine whether the additional recovery either: (i) warrants further distributions to the IRS and CMS on the unpaid amount of their allowed Class 3 claims; or (ii) would be uneconomic to distribute, such that after notice to the IRS and CMS and barring any objections, the Liquidator will transfer these additional assets to DIFS as reimbursement for its unpaid Class 1 administrative expenses;
- e. Discharging the Liquidator and the Liquidator's agents;
- f. Unconditionally releasing the Liquidator and the Liquidator's past and present agents;
- g. Forever barring all claims against the Liquidator and the Liquidator's past and present agents;
- h. Authorizing record destruction;
- i. Terminating the liquidation, discharging all reporting obligations, dissolving Consumers Mutual's corporate existence, and closing the case;
- j. Authorizing, ratifying, and/or approving the Liquidator's service of this Verified Motion, the Notice of Hearing, and any resulting Order by posting electronic copies on the DIFS website; and

- k. Granting such other and further relief as the law or equity require.

Respectfully submitted,

Dana Nessel
Attorney General

A handwritten signature in black ink, appearing to read "Christopher Kerr", written over a horizontal line.

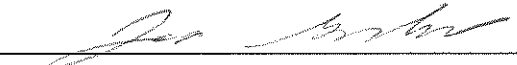
Christopher L. Kerr (P57131)
Assistant Attorney General
Attorney for Petitioner
Michigan Department of Attorney
General
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(517) 335-7632
KerrC2@michigan.gov

Dated: January 5, 2022

VERIFICATION

STATE OF MICHIGAN)
)ss.
COUNTY OF INGHAM)

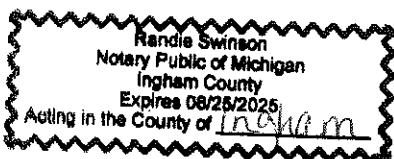
James Gerber, appointed as Special Deputy Liquidator by the statutory and Court-appointed Liquidator of Consumers Mutual, being first duly sworn, deposes and says that he makes this Verification on the Liquidator's behalf; that he has read the foregoing Verified Motion to Terminate Liquidation, Approve the Actions of the Liquidator, Discharge the Liquidator, Close the Case, and for Related Relief; that he executes this Verified Motion for and on behalf of the Liquidator, and that he is duly authorized to do so; and that the matters contained in the Verified Motion are true to his personal knowledge and/or are true to the best of his information and belief.


James Gerber
Special Deputy Liquidator

Subscribed and sworn to before me,
a Notary Public in and for said county,
this 4th day of January, 2022


Notary Public, Ingham County, Michigan

My commission expires: 8/25/2025



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Exhibit A**Consumers Mutual Insurance of Michigan****Balance Sheet****12/15/2021****ASSETS****CURRENT ASSETS**

PNC Checking	\$26,380	
PNC Savings	0	
PNC Trust	(0)	
Premium Account	-	
Petty Cash	-	
Reinsurance Recovery Receivable	-	
Other Receivable	-	
Risk Corridor Receivable	-	
Prepaid Insurance	-	
Prepaid Expenses	-	
TOTAL CURRENT ASSETS		<u>26,380</u>

TOTAL ASSETS**\$26,380****LIABILITIES AND NET ASSETS****CURRENT LIABILITIES**

Administrative Expense Payables	\$25,685	
Accounts Payable- CMS	-	
Liability for Discontinued Operating Expenses	(0)	
Guarantee Association Administrative Expenses Payable	-	
Unclaimed Property - Pre Liquidation	-	
Unclaimed Property - Post Liquidation	-	
Policyholder Claim Payable	-	
Risk Adjustment Payable	-	
Risk Corridor Litigation Payable	-	
ACA Annual Fee Payable	-	
Commissions/Agent Bonuses Payable	-	
Risk Adjustment User Fees Payable	-	
Health Insurance Claims Assessment Payable	-	
Accrued Compensation & Benefits	0	
TOTAL CURRENT LIABILITIES		<u>25,685</u>

LONG-TERM LIABILITIES

Solvency Loan	71,534,300	
Guarantee Association Payable	-	
Deferred Interest Payable	305,239	
TOTAL LONG-TERM LIABILITIES		<u>71,839,539</u>

TOTAL LIABILITIES**71,865,224****NET ASSETS**

Unrestricted Net Assets-beginning of year	(72,644,102)	
Change in Net Assets	805,259	
TOTAL NET ASSETS		<u>(71,838,844)</u>

TOTAL LIABILITIES AND NET ASSETS**\$26,380**

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Exhibit B**Consumers Mutual Insurance of Michigan****Cash Flow****03/01/2021 to 12/15/2021**

Cash at Beginning of Period	\$11,079,324
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Change in Cash

Administrative Expenses	(22,456)
Medical Claim Recoveries	11,532
Interest Income	1,882
Bank Charges	(10,279)
Payment to MLHGA	(1,235,509)
Payment to U of M Medical Center	(70,936)
Payment to CMS	(9,111,291)
Payment to Internal Revenue Service	<u>(615,886)</u>

Total Change in Cash	(11,052,944)
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Cash at End of Period	\$26,380
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EXHIBIT I B I T C

STATE OF MICHIGAN
CIRCUIT COURT FOR THE 30TH JUDICIAL CIRCUIT
INGHAM COUNTY

ANITA G. FOX, DIRECTOR
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CONSUMERS MUTUAL INSURANCE
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HON. JAMES S. JAMO

[IN LIQUIDATION]

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**ORDER GRANTING LIQUIDATOR'S VERIFIED MOTION TO
TERMINATE LIQUIDATION, APPROVE THE ACTIONS OF THE
LIQUIDATOR, DISCHARGE THE LIQUIDATOR, CLOSE THE CASE,
AND FOR RELATED RELIEF**

At a session of said Court
held in the Circuit Courtrooms
for the County of Ingham,
State of Michigan on the
_____ day of _____, 2022.

PRESENT: HONORABLE JAMES S. JAMO, CIRCUIT COURT JUDGE

WHEREAS, Petitioner Anita G. Fox, Director of the Michigan Department of Insurance and Financial Services (“DIFS”) and statutory and Court-appointed Liquidator (the “Liquidator”) of Consumers Mutual Insurance of Michigan (“Consumers Mutual”), has filed a Verified Motion to Terminate Liquidation, Approve the Actions of the Liquidator, Discharge the Liquidator, Close the Case, and for Related Relief (the “Verified Motion”); and

WHEREAS, the Court has reviewed the Verified Motion and any objections or responses filed thereto, together with the terms of this Order that was attached to the Verified Motion as Exhibit C; and

WHEREAS, the Court finding that pursuant to MCL 500.8146(1), it is appropriate for this Court to grant the discharge of the Liquidator and to make other appropriate orders; and

WHEREAS, the Court having heard oral argument on the Verified Motion on Wednesday, January 26, 2022, at 4:00 p.m., and being otherwise fully advised;

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Court GRANTS the Verified Motion, the liquidation of Consumers Mutual is terminated, the Liquidator is discharged, and this case and the Consumers Mutual liquidation estate are closed.

2. All actions taken or not taken by the Liquidator, including as the former Rehabilitator of Consumers Mutual (collectively, the “Liquidator”), and by her Special Deputy Liquidators, including as the former Special Deputy Rehabilitators of Consumers Mutual (collectively, the “Deputy Liquidators”),

together with their representatives, agents, accountants, attorneys, successors, predecessors, officers, directors, and assigns throughout the liquidation and/or prior rehabilitation (collectively, the “Receivership”) of Consumers Mutual are approved, and such actions taken or not taken have been properly executed and have met the requirements of Chapter 81 of the Insurance Code of 1956 (“Chapter 81”), MCL 500.8101 – 500.8159, and the laws of the State of Michigan in general, as ascertained by and reviewed by this Court through the date of this Order.

3. Because the Court agrees that it would be uneconomic to make an additional distribution of the liquidation estate’s limited remaining assets, the Liquidator is authorized to promptly and irrevocably transfer to DIFS—as payment for its Class 1 unreimbursed expenses of administering the Consumers Mutual liquidation estate—the balance of the \$26,380 in cash reserves remaining after payment of all administrative expenses to close the estate.

4. If the Liquidator recovers additional Consumers Mutual assets after the date of this Order, the Court approves the Liquidator’s plan to determine whether the additional recovery either: (a) warrants further distributions to the Internal Revenue Service (“IRS”) and the Centers for Medicare and Medicaid Services (“CMS”) on the unpaid amount of their allowed Class 3 claims; or (b) would be uneconomic to distribute, such that after notice to the IRS and CMS and barring any objections, the Liquidator will transfer these additional assets to DIFS as reimbursement for its unpaid Class 1 administrative expenses.

5. The Liquidator and her Deputy Liquidators, representatives, agents, accountants, attorneys, successors, predecessors, officers, directors, and assigns, both past and present, are fully, finally, and unconditionally discharged and released from any duties, obligations, claims, and liabilities relating to or arising out of the Receivership of Consumers Mutual.

6. All claims and causes of action against the Liquidator and her Deputy Liquidators, representatives, agents, accountants, attorneys, successors, predecessors, officers, directors, and assigns, both past and present, for any and all actions taken or not taken throughout the Receivership of Consumers Mutual are completely and forever barred, and from and after entry of this Order terminating the liquidation, these parties shall have no further responsibility, obligations, or liability under Chapter 81 or the laws of the State of Michigan with respect to any matter relating to or arising out of the Receivership of Consumers Mutual.

7. No further reports regarding Consumers Mutual are required of the Liquidator to any person or entity, including but not limited to reports to this Court and reports to DIFS.

8. The Liquidator is authorized to destroy Consumers Mutual documents on a rolling, yearly basis, such that every year all documents more than seven (7) years old will be destroyed unless their retention is otherwise required by law, without further request to this Court by the Liquidator and without further review or order of this Court.

9. By operation of law pursuant to MCL 500.8120, the corporate existence of Consumers Mutual is dissolved effective on the date of this Order.

10. Because the Liquidator has determined that there are no remaining individuals or entities having a particular interest in the Verified Motion that would warrant their personal service, and because personally serving the Verified Motion, the Notice of Hearing, and any resulting Order on individuals or entities that may have a general interest in the Consumers Mutual liquidation would be time-intensive and prohibitively costly to the liquidation estate, the Court authorizes, approves, and/or ratifies the Liquidator's service of the Verified Motion, the Notice of Hearing, and this Order on any potentially interested individuals or entities by posting electronic copies on the DIFS website, www.michigan.gov/difs, under the section "Who We Regulate," the subsection "Receiverships," and the sub-subsection "Consumers Mutual Ins. of Michigan."

The Court finds that service in this manner is reasonably calculated to give any potentially interested individuals or entities actual notice of these proceedings and is otherwise reasonable under the circumstances.

IT IS SO ORDERED.

This Order resolves the last pending claim and closes the case.

Honorable James S. Jamo
30th Circuit Court Judge